

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: March 26, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 001-14543



TrueBlue, Inc.

(Exact name of registrant as specified in its charter)

Washington
(State of incorporation)

91-1287341
(I.R.S. employer identification no.)

1015 A Street, Tacoma, Washington 98402
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(253) 383-9101**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, no par value

Trading Symbol(s)
TBI

Name of each exchange on which registered
New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 19, 2023, there were 31,023,360 shares of the registrant's common stock outstanding.

TrueBlue, Inc.
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PART I. FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

TRUEBLUE, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

<i>(in thousands, except par value data)</i>	March 26, 2023	December 25, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,223	\$ 72,054
Accounts receivable, net of allowance of \$3,637 and \$3,212	282,014	314,275
Prepaid expenses and other current assets	29,423	32,530
Income tax receivable	12,639	11,353
Total current assets	371,299	430,212
Property and equipment, net	97,972	95,823
Restricted cash and investments	212,840	213,734
Deferred income taxes, net	25,854	25,842
Goodwill	93,772	93,784
Intangible assets, net	14,959	16,205
Operating lease right-of-use assets, net	50,786	50,823
Workers' compensation claims receivable, net	72,480	75,185
Other assets, net	17,151	17,800
Total assets	\$ 957,113	\$ 1,019,408
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued expenses	\$ 63,967	\$ 76,644
Accrued wages and benefits	81,095	92,237
Income tax payable	165	1,137
Current portion of workers' compensation claims reserve	46,543	50,005
Current operating lease liabilities	11,875	11,963
Other current liabilities	11,251	10,889
Total current liabilities	214,896	242,875
Workers' compensation claims reserve, less current portion	192,884	201,005
Long-term deferred compensation liabilities	29,215	26,213
Long-term operating lease liabilities	50,490	50,601
Other long-term liabilities	2,005	2,399
Total liabilities	489,490	523,093
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Preferred stock, \$0.131 par value, 20,000 shares authorized; No shares issued and outstanding	—	—
Common stock, no par value, 100,000 shares authorized; 31,507 and 32,730 shares issued and outstanding	1	1
Accumulated other comprehensive loss	(20,271)	(20,018)
Retained earnings	487,893	516,332
Total shareholders' equity	467,623	496,315
Total liabilities and shareholders' equity	\$ 957,113	\$ 1,019,408

See accompanying notes to consolidated financial statements

TRUEBLUE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(unaudited)

	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
<i>(in thousands, except per share data)</i>		
Revenue from services	\$ 465,288	\$ 551,515
Cost of services	342,175	411,670
Gross profit	123,113	139,845
Selling, general and administrative expense	122,645	120,568
Depreciation and amortization	6,411	7,287
Income (loss) from operations	(5,943)	11,990
Interest expense and other income, net	1,014	505
Income (loss) before tax expense (benefit)	(4,929)	12,495
Income tax expense (benefit)	(640)	1,976
Net income (loss)	\$ (4,289)	\$ 10,519
Net income (loss) per common share:		
Basic	\$ (0.13)	\$ 0.31
Diluted	\$ (0.13)	\$ 0.30
Weighted average shares outstanding:		
Basic	32,292	33,929
Diluted	32,292	34,544
Other comprehensive income (loss):		
Foreign currency translation adjustment	\$ (253)	\$ 127
Comprehensive income (loss)	\$ (4,542)	\$ 10,646

See accompanying notes to consolidated financial statements

TRUEBLUE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Cash flows from operating activities:		
Net income (loss)	\$ (4,289)	\$ 10,519
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	6,411	7,287
Provision for credit losses	1,382	989
Stock-based compensation	2,630	3,812
Deferred income taxes	(47)	1,258
Non-cash lease expense	3,140	3,281
Other operating activities	20	2,608
Changes in operating assets and liabilities:		
Accounts receivable	31,025	27,702
Income taxes receivable and payable	(2,512)	(1,252)
Other assets	6,462	4,267
Accounts payable and other accrued expenses	(11,937)	(13,257)
Accrued wages and benefits	(11,143)	(19,031)
Workers' compensation claims reserve	(11,583)	168
Operating lease liabilities	(3,316)	(3,319)
Other liabilities	2,908	1,410
Net cash provided by operating activities	9,151	26,442
Cash flows from investing activities:		
Capital expenditures	(8,081)	(5,779)
Purchases of restricted held-to-maturity investments	(2,305)	—
Maturities of restricted held-to-maturity investments	2,010	6,034
Net cash (used in) provided by investing activities	(8,376)	255
Cash flows from financing activities:		
Purchases and retirement of common stock	(24,718)	(36,326)
Net proceeds from employee stock purchase plans	315	319
Common stock repurchases for taxes upon vesting of restricted stock	(2,377)	(3,970)
Net change in revolving credit facility	—	4,000
Other	(45)	(72)
Net cash used in financing activities	(26,825)	(36,049)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	9	(57)
Net change in cash, cash equivalents and restricted cash	(26,041)	(9,409)
Cash, cash equivalents and restricted cash, beginning of period	135,631	103,185
Cash, cash equivalents and restricted cash, end of period	\$ 109,590	\$ 93,776
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 262	\$ 193
Income taxes	\$ 1,912	\$ 1,878
Operating lease liabilities	\$ 4,028	\$ 4,093
Non-cash transactions:		
Property and equipment purchased but not yet paid	\$ 3,763	\$ 3,159
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,055	\$ 3,948

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement preparation

The accompanying unaudited consolidated financial statements (“financial statements”) of TrueBlue, Inc. (the “company,” “TrueBlue,” “we,” “us,” and “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, certain information and footnote disclosures usually found in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The financial statements reflect all adjustments which, in the opinion of management, are necessary to fairly state the financial statements for the interim periods presented. We follow the same accounting policies for preparing both quarterly and annual financial statements.

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

These financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 25, 2022. The results of operations for the thirteen weeks ended March 26, 2023 are not necessarily indicative of the results expected for the full fiscal year nor for any other fiscal period.

Recently adopted accounting standards

There were no new accounting standards adopted during the thirteen weeks ended March 26, 2023 that had a material impact on our financial statements.

Recently issued accounting standards not yet adopted

There are no accounting standards which have not yet been adopted that are expected to have a significant impact on our financial statements and related disclosures.

NOTE 2: FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis

Our assets measured at fair value on a recurring basis consisted of the following:

<i>(in thousands)</i>	March 26, 2023			
	Total fair value	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Cash and cash equivalents	\$ 47,223	\$ 47,223	\$ —	\$ —
Restricted cash and cash equivalents	62,367	62,367	—	—
Cash, cash equivalents and restricted cash (1)	\$ 109,590	\$ 109,590	\$ —	\$ —
Municipal debt securities	\$ 41,330	\$ —	\$ 41,330	\$ —
Corporate debt securities	77,910	—	77,910	—
Agency mortgage-backed securities	962	—	962	—
U.S. government and agency securities	39	—	39	—
Restricted investments classified as held-to-maturity (2)	\$ 120,241	\$ —	\$ 120,241	\$ —

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

<i>(in thousands)</i>	December 25, 2022			
	Total fair value	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Cash and cash equivalents	\$ 72,054	\$ 72,054	\$ —	\$ —
Restricted cash and cash equivalents	63,577	63,577	—	—
Cash, cash equivalents and restricted cash (1)	\$ 135,631	\$ 135,631	\$ —	\$ —
Municipal debt securities	\$ 42,431	\$ —	\$ 42,431	\$ —
Corporate debt securities	76,097	—	76,097	—
Agency mortgage-backed securities	48	—	48	—
U.S. government and agency securities	949	—	949	—
Restricted investments classified as held-to-maturity (2)	\$ 119,525	\$ —	\$ 119,525	\$ —

(1) Cash, cash equivalents and restricted cash include money market funds and deposits.

(2) Refer to Note 3: *Restricted Cash and Investments* for additional details on our held-to-maturity debt securities.

NOTE 3: RESTRICTED CASH AND INVESTMENTS

The following is a summary of the carrying value of our restricted cash and investments:

<i>(in thousands)</i>	March 26, 2023	December 25, 2022
Cash collateral held by insurance carriers	\$ 29,839	\$ 29,567
Cash and cash equivalents held in Trust	31,408	30,857
Investments held in Trust	123,577	123,678
Company-owned life insurance policies	26,896	26,479
Other restricted cash and cash equivalents	1,120	3,153
Total restricted cash and investments	\$ 212,840	\$ 213,734

Held-to-maturity

Restricted cash and investments include collateral that has been provided or pledged to insurance carriers for workers' compensation and state workers' compensation programs. Our insurance carriers and certain state workers' compensation programs require us to collateralize a portion of our workers' compensation obligation. The collateral typically takes the form of cash and cash equivalents and highly rated investment grade securities, primarily in debt and asset-backed securities. The majority of our collateral obligations are held in a trust at the Bank of New York Mellon ("Trust").

The amortized cost and estimated fair value of our held-to-maturity investments held in Trust, aggregated by investment category as of March 26, 2023 and December 25, 2022, were as follows:

<i>(in thousands)</i>	March 26, 2023			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Municipal debt securities	\$ 41,606	\$ 10	\$ (286)	\$ 41,330
Corporate debt securities	80,933	26	(3,049)	77,910
Agency mortgage-backed securities	998	—	(36)	962
U.S. government and agency securities	40	—	(1)	39
Total held-to-maturity investments	\$ 123,577	\$ 36	\$ (3,372)	\$ 120,241

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

<i>(in thousands)</i>	December 25, 2022			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Municipal debt securities	\$ 42,892	\$ 2	\$ (463)	\$ 42,431
Corporate debt securities	79,736	4	(3,643)	76,097
Agency mortgage-backed securities	50	—	(2)	48
U.S. government and agency securities	1,000	—	(51)	949
Total held-to-maturity investments	\$ 123,678	\$ 6	\$ (4,159)	\$ 119,525

The amortized cost and fair value by contractual maturity of our held-to-maturity investments are as follows:

<i>(in thousands)</i>	March 26, 2023	
	Amortized cost	Fair value
Due in one year or less	\$ 41,768	\$ 41,340
Due after one year through five years	81,809	78,901
Total held-to-maturity investments	\$ 123,577	\$ 120,241

Actual maturities may differ from contractual maturities because the issuers of certain debt securities have the right to call or prepay their obligations without penalty. We have no significant concentrations of counterparties in our held-to-maturity investment portfolio.

Company-owned life insurance policies

We hold company-owned life insurance policies to support our deferred compensation liability. Unrealized gains and losses related to investments still held at March 26, 2023 and March 27, 2022, which are included in selling, general and administrative expense on our Consolidated Statements of Operations and Comprehensive Income (Loss), were as follows:

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Unrealized gains (losses)	\$ 417	\$ (2,011)

NOTE 4: SUPPLEMENTAL BALANCE SHEET INFORMATION

Accounts receivable allowance for credit losses

The activity related to the accounts receivable allowance for credit losses was as follows:

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Beginning balance	\$ 3,212	\$ 6,687
Current period provision	1,382	989
Write-offs	(956)	(2,784)
Foreign currency translation	(1)	(7)
Ending balance	\$ 3,637	\$ 4,885

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Prepaid expenses and other current assets

<i>(in thousands)</i>	March 26, 2023	December 25, 2022
Prepaid software agreements	\$ 11,000	\$ 9,994
Other prepaid expenses	9,708	9,455
Other current assets	8,715	13,081
Prepaid expenses and other current assets	\$ 29,423	\$ 32,530

Other current liabilities

<i>(in thousands)</i>	March 26, 2023	December 25, 2022
Contract liabilities	\$ 4,386	\$ 3,812
Other current liabilities	6,865	7,077
Other current liabilities	\$ 11,251	\$ 10,889

NOTE 5: WORKERS' COMPENSATION INSURANCE AND RESERVES

We provide workers' compensation insurance for our associates and permanent employees. The majority of our current workers' compensation insurance policies cover claims for a particular event above our \$5.0 million deductible limit, on a "per occurrence" basis. This results in our business being substantially self-insured.

Our workers' compensation reserve for claims below the deductible limit is discounted to its estimated net present value. The discount rates used to estimate net present value are based on average returns of "risk-free" U.S. Treasury instruments available during the year in which the liability was incurred and the weighted average duration of the payments against the self-insured claims. Payments made against self-insured claims are made over a weighted average period of approximately 6 years as of March 26, 2023. The weighted average discount rate was 2.1% and 2.0% at March 26, 2023 and December 25, 2022, respectively.

The following table presents a reconciliation of the undiscounted workers' compensation reserve to the discounted workers' compensation reserve for the periods presented:

<i>(in thousands)</i>	March 26, 2023	December 25, 2022
Undiscounted workers' compensation reserve	\$ 259,087	\$ 270,468
Less discount on workers' compensation reserve	19,660	19,458
Workers' compensation reserve, net of discount	239,427	251,010
Less current portion	46,543	50,005
Long-term portion	\$ 192,884	\$ 201,005

Payments made against self-insured claims were \$11.9 million and \$9.7 million for the thirteen weeks ended March 26, 2023 and March 27, 2022, respectively.

Our workers' compensation reserve includes estimated expenses related to claims above our self-insured limits ("excess claims"), and we record a corresponding receivable for the insurance coverage on excess claims based on the contractual policy agreements we have with insurance carriers. We discount this reserve and corresponding receivable to its estimated net present value using the discount rates based on average returns of "risk-free" U.S. Treasury instruments available during the year in which the liability was incurred and the weighted average duration of the payments against the excess claims. The claim payments are made and the corresponding reimbursements from our insurance carriers are received over an estimated weighted average period of approximately 17 years. The rates used to discount excess claims incurred during the thirteen weeks ended March 26, 2023 and fifty-two weeks ended December 25, 2022 were 3.5% and 3.0%, respectively. The discounted workers' compensation reserve for excess claims was \$73.9 million and \$76.7 million, as of March 26, 2023 and December 25, 2022, respectively. The discounted receivables from insurance companies, net of valuation allowance, were \$72.5 million and \$75.2 million as of March 26, 2023 and December 25, 2022, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Workers' compensation cost consists primarily of changes in self-insurance reserves net of changes in discount, monopolistic jurisdictions' premiums, insurance premiums and other miscellaneous expenses. Workers' compensation cost of \$4.8 million and \$11.3 million was recorded in cost of services on our Consolidated Statements of Operations and Comprehensive Income (Loss) for the thirteen weeks ended March 26, 2023 and March 27, 2022, respectively.

NOTE 6: LONG-TERM DEBT

We have a revolving credit agreement with Bank of America, N.A., Wells Fargo Bank, N.A., PNC Bank, N.A., KeyBank, N.A. and HSBC Bank USA, N.A., which provides for a revolving line of credit of up to \$300.0 million, and is currently set to mature on March 16, 2025 ("Revolving Credit Facility"). We have an option to increase the amount to \$450.0 million, subject to lender approval. Included in the Revolving Credit Facility is a \$30.0 million sub-limit for "Swingline" loans and a \$125.0 million sub-limit for letters of credit. At March 26, 2023, \$7.2 million was utilized by outstanding standby letters of credit, leaving \$292.8 million unused under the Revolving Credit Facility. At December 25, 2022, \$7.2 million was utilized by outstanding standby letters of credit.

Under the terms of the Revolving Credit Facility, we pay a variable rate of interest on funds borrowed under the revolving line of credit in excess of the Swingline loans, based on the U.S. Dollar London Interbank Offered Rate ("LIBOR") plus an applicable spread between 1.25% and 3.50%. Alternatively, at our option, we may pay interest based on a base rate plus an applicable spread between 0.25% and 1.50%. The base rate is the greater of the prime rate (as announced by Bank of America), or the federal funds rate plus 0.50%. The applicable spread is determined by the consolidated leverage ratio, as defined in the Revolving Credit Facility.

Under the terms of the Revolving Credit Facility, we are required to pay a variable rate of interest on funds borrowed under the Swingline loan based on the base rate plus applicable spread between 0.25% and 1.50%, as described above.

A commitment fee between 0.25% and 0.50% is applied against the Revolving Credit Facility's unused borrowing capacity, with the specific rate determined by the consolidated leverage ratio, as defined in the second amendment to our credit agreement. Letters of credit are priced at a margin between 1.00% and 3.25%, plus a fronting fee of 0.50%.

Obligations under the Revolving Credit Facility are guaranteed by TrueBlue and material U.S. domestic subsidiaries, and are secured by substantially all of the assets of TrueBlue and material U.S. domestic subsidiaries. The second amendment to our credit agreement contains customary representations and warranties, events of default, and affirmative and negative covenants, including, among others, financial covenants.

The following financial covenants, as defined in the second amendment to our credit agreement, were in effect as of March 26, 2023:

- Consolidated leverage ratio less than 3.00, defined as our funded indebtedness divided by trailing twelve months consolidated EBITDA, as defined in the amended credit agreement. As of March 26, 2023, our consolidated leverage ratio was 0.08.
- Consolidated fixed charge coverage ratio greater than 1.25, defined as the trailing twelve months bank-adjusted cash flow divided by cash interest expense. As of March 26, 2023, our consolidated fixed charge ratio was 62.63.

As of March 26, 2023, we were in compliance with all effective covenants related to the Revolving Credit Facility.

Subsequent event

The ICE Benchmark Administration Limited, in its capacity as administrator of LIBOR, announced that it will discontinue publication of LIBOR (other than one-week and two-month tenors) after June 2023. In anticipation of this change, we entered into an amendment to our credit agreement effective March 30, 2023 to replace LIBOR as our benchmark rate (the "LIBOR Transition Amendment"). This amendment replaced LIBOR with the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York, plus an adjustment of 0.10%, and is not expected to have a significant impact on our financial statements or related disclosures. All other terms of our credit agreement remain unchanged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 7: COMMITMENTS AND CONTINGENCIES

Workers' compensation commitments

We have provided our insurance carriers and certain states with commitments in the form and amounts listed below:

<i>(in thousands)</i>	March 26, 2023	December 25, 2022
Cash collateral held by workers' compensation insurance carriers	\$ 23,985	\$ 23,716
Cash and cash equivalents held in Trust	31,408	30,857
Investments held in Trust	123,577	123,678
Letters of credit (1)	6,077	6,077
Surety bonds (2)	20,725	20,806
Total collateral commitments	\$ 205,772	\$ 205,134

- (1) We have agreements with certain financial institutions to issue letters of credit as collateral.
- (2) Our surety bonds are issued by independent insurance companies on our behalf and bear annual fees based on a percentage of the bond, which are determined by each independent surety carrier. These fees do not exceed 2.0% of the bond amount, subject to a minimum charge. The terms of these bonds are subject to review and renewal every one to four years and most bonds can be canceled by the sureties with as little as 60 days' notice.

Legal contingencies and developments

We are involved in various proceedings arising in the normal course of conducting business. We believe the liabilities included in our financial statements reflect the probable loss that can be reasonably estimated and are immaterial. We also believe that the aggregate range of reasonably possible losses for the Company's exposure in excess of the amount accrued is expected to be immaterial to the Company. It remains possible that despite our current belief, material differences in actual outcomes or changes in management's evaluation or predictions could arise that could have a material effect on the Company's financial condition, results of operations or cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 8: SHAREHOLDERS' EQUITY

Changes in the balance of each component of shareholders' equity during the reporting periods were as follows:

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Common stock shares		
Beginning balance	32,730	34,861
Purchases and retirement of common stock	(1,357)	(1,327)
Net issuance under equity plans, including tax benefits	134	74
Stock-based compensation	—	—
Ending balance	31,507	33,608
Common stock amount		
Beginning balance	\$ 1	\$ 1
Current period activity	—	—
Ending balance	1	1
Retained earnings		
Beginning balance	516,332	508,813
Net income (loss)	(4,289)	10,519
Purchases and retirement of common stock (1)	(24,718)	(36,326)
Net issuance under equity plans, including tax benefits	(2,062)	(3,648)
Stock-based compensation	2,630	3,812
Ending balance	487,893	483,170
Accumulated other comprehensive loss		
Beginning balance, net of tax	(20,018)	(15,747)
Foreign currency translation adjustment	(253)	127
Ending balance, net of tax	(20,271)	(15,620)
Total shareholders' equity ending balance	\$ 467,623	\$ 467,551

- (1) Under applicable Washington State law, shares purchased are not displayed separately as treasury stock on our Consolidated Balance Sheets and are treated as authorized but unissued shares. It is our accounting policy to first record these purchases as a reduction to our common stock account. Once the common stock account has been reduced to a nominal balance, remaining purchases are recorded as a reduction to our retained earnings. Furthermore, activity in our common stock account related to stock-based compensation is also recorded to retained earnings until such time as the reduction to retained earnings due to stock repurchases has been recovered.

NOTE 9: INCOME TAXES

Our income tax provision or benefit for interim periods is determined using an estimate of our annual effective tax rate, adjusted for any discrete items that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate and, if our estimated tax rate changes, we make a cumulative adjustment. Our quarterly tax provision and quarterly estimate of our annual effective tax rate are subject to variation due to several factors, including variability in accurately predicting our full year pre-tax income and loss by jurisdiction, tax credits, government audit developments, changes in laws, regulations and administrative practices, and relative changes in expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income. For example, the impact of discrete items, tax credits, and non-deductible expenses on our effective tax rate is greater when our pre-tax income is lower.

Our effective income tax rate for the thirteen weeks ended March 26, 2023 was 3.0%. The difference between the statutory federal income tax rate of 21.0% and our effective tax rate was primarily due to hiring tax credits, including the Work Opportunity Tax Credit ("WOTC"). WOTC is designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates. Other differences between the statutory federal income tax rate and our effective tax rate result from state income taxes and certain non-deductible and non-taxable items.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 10: NET INCOME (LOSS) PER SHARE

Diluted common shares were calculated as follows:

<i>(in thousands, except per share data)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Net income (loss)	\$ (4,289)	\$ 10,519
Weighted average number of common shares used in basic net income (loss) per common share	32,292	33,929
Dilutive effect of non-vested stock-based awards	—	615
Weighted average number of common shares used in diluted net income (loss) per common share	32,292	34,544
Net income (loss) per common share:		
Basic	\$ (0.13)	\$ 0.31
Diluted	\$ (0.13)	\$ 0.30
Anti-dilutive shares	1,072	348

NOTE 11: SEGMENT INFORMATION

Our operating segments and reportable segments are described below:

Our **PeopleReady** reportable segment provides blue-collar, contingent staffing through the PeopleReady operating segment. PeopleReady provides on-demand and skilled labor in a broad range of industries that include construction, transportation, manufacturing, retail, hospitality and renewable energy.

Our **PeopleScout** reportable segment provides high-volume, permanent employee recruitment process outsourcing, employer branding services and management of outsourced labor service providers through the following operating segments, which we have aggregated into one reportable segment in accordance with U.S. GAAP:

- *PeopleScout RPO*: Outsourced recruitment of permanent employees on behalf of clients and employer branding services; and
- *PeopleScout MSP*: Management of multiple third-party staffing vendors on behalf of clients.

Our **PeopleManagement** reportable segment provides contingent labor and outsourced industrial workforce solutions, primarily on-site at the client's facility, through the following operating segments, which we have aggregated into one reportable segment in accordance with U.S. GAAP:

- *PeopleManagement On-Site*: On-site management and recruitment for the contingent industrial workforce of manufacturing, warehousing and distribution facilities; and
- *PeopleManagement Centerline*: Recruitment and management of contingent and dedicated commercial drivers to the transportation and distribution industries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

The following table presents our revenue disaggregated by major source and segment and a reconciliation of segment revenue from services to total company revenue:

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Revenue from services:		
<i>Contingent staffing</i>		
PeopleReady	\$ 252,628	\$ 305,690
PeopleManagement	143,184	163,819
<i>Human resource outsourcing</i>		
PeopleScout	69,476	82,006
Total company	\$ 465,288	\$ 551,515

The following table presents a reconciliation of segment profit (loss) to income (loss) before tax expense (benefit):

<i>(in thousands)</i>	Thirteen weeks ended	
	March 26, 2023	March 27, 2022
Segment profit (loss):		
PeopleReady	\$ 872	\$ 16,219
PeopleManagement	(202)	2,979
PeopleScout	8,923	10,972
Total segment profit	9,593	30,170
Corporate unallocated expense	(6,708)	(7,298)
Third-party processing fees for hiring tax credits	(120)	(162)
Amortization of software as a service assets	(868)	(747)
PeopleReady technology upgrade costs	(32)	(2,550)
Other costs	(1,397)	(136)
Depreciation and amortization	(6,411)	(7,287)
Income (loss) from operations	(5,943)	11,990
Interest expense and other income, net	1,014	505
Income (loss) before tax expense (benefit)	\$ (4,929)	\$ 12,495

Asset information by reportable segment is not presented as we do not manage our segments on a balance sheet basis.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMMENT ON FORWARD LOOKING STATEMENTS

Certain statements in this Form 10-Q, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and future events and circumstances could differ significantly from those anticipated in the forward-looking statements. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "goal," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied in our forward-looking statements, including the risks and uncertainties described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (Part I, Item 2 of this Form 10-Q), "Quantitative and Qualitative Disclosures about Market Risk" (Part I, Item 3 of this Form 10-Q), and "Risk Factors" (Part II, Item 1A of this Form 10-Q). We undertake no duty to update or revise publicly any of the forward-looking statements after the date of this report or to conform such statements to actual results or to changes in our expectations, whether because of new information, future events, or otherwise.

BUSINESS OVERVIEW

TrueBlue, Inc. (the "company," "TrueBlue," "we," "us" and "our") is a leading provider of specialized workforce solutions that help our clients improve productivity and grow their businesses. Client demand for contingent workforce solutions and outsourced recruiting services is cyclical and dependent on the overall strength of the economy and labor market, as well as trends in workforce flexibility. During periods of rising economic uncertainty, clients reduce their contingent labor in response to lower volumes and reduced appetite for expanding production or inventory, which reduces the demand for our services. That environment also reduces demand for permanent placement recruiting, whether outsourced or in-house. However, as the economy emerges from periods of uncertainty, contingent labor providers are uniquely positioned to respond quickly to increasing demand for labor and rapidly fill new or temporary positions, replace absent employees, and convert fixed labor costs to variable costs. Similarly, companies turn to hybrid or fully outsourced recruiting models during periods of rapid re-hiring and high employee turnover. In order to competitively differentiate our services and grow market share in these highly fragmented industries, we are committed to executing our digital strategies to increase our ability to attract and retain clients, employees and associates and reduce the cost of delivering our services. We have implemented these core strategies for each of our business segments: PeopleReady, PeopleScout and PeopleManagement.

PeopleReady

PeopleReady provides clients with access to qualified associates through a wide range of staffing solutions for on-demand, contingent general and skilled labor. Our services range from providing one associate to hundreds, and are generally short-term in nature as they are filling the contingent staffing needs of our clients. PeopleReady connects people with work in a broad range of industries through our network of branches across all 50 states in the United States ("U.S."), Canada and Puerto Rico, and increasingly through our industry-leading mobile app, JobStack™. JobStack creates a digital exchange between our associates and clients, and allows our branch resources to expand their recruiting, sales and service delivery efforts. JobStack is competitively differentiating our services, expanding our reach into new demographics, and improving our service delivery and work order fill rates. Our primary focus at PeopleReady is the use of digitalization to supplement our nationwide footprint, improve our operating efficiency and effectiveness, and gain market share.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PeopleScout

PeopleScout offers recruitment process outsourcing ("RPO"), managed service provider ("MSP") solutions and talent advisory services to a wide variety of industries, primarily in the U.S., Canada, the United Kingdom and Australia. Our RPO solutions are multi-year in duration, highly scalable and provide clients the support they need as their hiring volumes fluctuate. We tailor our services based on individual client needs, including sourcing, screening, hiring and onboarding, as well as employer branding and recruitment marketing, to improve the candidate experience and regulatory compliance, and ultimately lower our clients' recruiting costs. Our proprietary technology platform (Affinix™) uses artificial intelligence and machine learning to rapidly source a qualified talent pool within minutes rather than days, and further engages candidates through a seamless digital experience. PeopleScout also includes our MSP business, which manages our clients' contingent labor programs including vendor selection, performance management, compliance monitoring and risk management. Our primary focus at PeopleScout is leveraging our strong brand reputation, continuing to invest in our sales team, and using our proprietary technology platform (Affinix) to continue to gain market share in high growth sectors.

PeopleManagement

PeopleManagement provides recruitment and on-site management of a facility's contingent industrial workforce throughout the U.S., Canada and Puerto Rico. Our client engagements are generally multi-location and multi-year, and include scalable recruiting, screening, hiring and management of the contingent workforce. Once operational, we deploy dedicated management and service teams that work side-by-side with a client's full-time workforce. Our teams are an integral part of the production and logistics process, and specialize in labor-intensive manufacturing, warehousing and distribution. PeopleManagement also provides dedicated and contingent commercial drivers to the transportation and distribution industries through our Centerline Drivers ("Centerline") brand. Centerline matches drivers to each client's specific needs, allowing them to improve productivity, control costs, ensure compliance and deliver improved service. Our primary focus at PeopleManagement continues to be growing our client base by targeting local and underserved markets, as well as investing in customer and associate care programs to improve retention.

Fiscal first quarter of 2023 highlights

Total company revenue declined 15.6% to \$465.3 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. PeopleReady revenue declined 17.4%, primarily due to the absence of the post-pandemic demand surge we benefited from in the prior period. PeopleScout revenue declined 15.3%, as clients responded to economic uncertainty by reducing hiring volumes. PeopleManagement revenue declined 12.6%, as clients responded to economic uncertainty by shifting otherwise outsourced work to their permanent workforce.

Total company gross profit as a percentage of revenue for the thirteen weeks ended March 26, 2023 increased by 110 basis points to 26.5%, compared to 25.4% for the same period in the prior year. This increase was primarily driven by lower workers' compensation costs and higher bill rates within our PeopleReady segment, which have increased ahead of pay rates.

Total company selling, general and administrative ("SG&A") expense increased 1.7% to \$122.6 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. The increase in SG&A expense was primarily related to workforce reduction costs within our PeopleScout and PeopleManagement segments at the end of the fiscal quarter, as well as investments we are making within our PeopleReady segment related to sales team training and geographical expansion of our skilled trades business.

The items above resulted in net loss of \$4.3 million for the thirteen weeks ended March 26, 2023, compared to net income of \$10.5 million for the same period in the prior year.

As of March 26, 2023, we were in a strong financial position with cash and cash equivalents of \$47.2 million, no outstanding debt, and \$292.8 million available under our revolving credit agreement ("Revolving Credit Facility"), for total liquidity of \$340.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Total company results

The following table presents selected financial data:

<i>(in thousands, except percentages and per share data)</i>	Thirteen weeks ended			
	Mar 26, 2023	% of revenue	Mar 27, 2022	% of revenue
Revenue from services	\$ 465,288		\$ 551,515	
Gross profit	\$ 123,113	26.5 %	\$ 139,845	25.4 %
Selling, general and administrative expense	122,645	26.4	120,568	21.9
Depreciation and amortization	6,411	1.4	7,287	1.3
Income (loss) from operations	(5,943)	(1.3)%	11,990	2.2 %
Interest expense and other income, net	1,014		505	
Income (loss) before tax expense (benefit)	(4,929)		12,495	
Income tax expense (benefit)	(640)		1,976	
Net income (loss)	\$ (4,289)	(0.9)%	\$ 10,519	1.9 %
Net income (loss) per diluted share	\$ (0.13)		\$ 0.30	

Revenue from services

<i>(in thousands, except percentages)</i>	Thirteen weeks ended				
	Mar 26, 2023	Growth (decline) %	Segment % of total	Mar 27, 2022	Segment % of total
Revenue from services:					
PeopleReady	\$ 252,628	(17.4)%	54.3 %	\$ 305,690	55.4 %
PeopleScout	69,476	(15.3)%	14.9	82,006	14.9
PeopleManagement	143,184	(12.6)%	30.8	163,819	29.7
Total company	\$ 465,288	(15.6)%	100.0 %	\$ 551,515	100.0 %

Total company revenue declined 15.6% to \$465.3 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. The decline was driven by economic uncertainty, as well as the absence of the post-pandemic demand surge we benefited from within our PeopleReady business in the prior year. In addition, clients have responded to macroeconomic uncertainty by reducing hiring volumes within our PeopleScout business and through higher utilization of their permanent workforce for previously outsourced work within our PeopleManagement business.

PeopleReady

PeopleReady revenue declined 17.4% to \$252.6 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. The decline in revenue was primarily due to the absence of the demand surge we benefited from in the prior year, as the post-pandemic recovery effort peaked and fueled our client's need for contingent labor. During the last half of fiscal 2022, demand for our services slowed as clients faced economic uncertainty and paused the use of variable labor to supplement their core workforce. However, sequential weekly revenue trends for the thirteen weeks ended March 26, 2023 were consistent with historical patterns.

PeopleScout

PeopleScout revenue declined 15.3% to \$69.5 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. PeopleScout revenue declined as clients responded to economic uncertainty by reducing hiring volumes. In the prior year, PeopleScout benefited from increased customer volume, primarily in the travel and leisure and retail industries.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PeopleManagement

PeopleManagement revenue declined 12.6% to \$143.2 million for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. PeopleManagement revenue declined as clients responded to economic uncertainty by reducing volumes in our on-site business, primarily among retail clients, as well as commercial driving services.

Gross profit

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Gross profit	\$ 123,113	\$ 139,845
Percentage of revenue	26.5 %	25.4 %

Gross profit as a percentage of revenue grew 110 basis points to 26.5% for the thirteen weeks ended March 26, 2023, compared to 25.4% for the same period in the prior year. Within our staffing businesses, lower workers' compensation costs from favorable development of prior year reserves contributed 100 basis points of expansion. An additional 20 basis points of expansion was a result of higher bill rates in our staffing businesses, which have increased ahead of pay rates. This expansion was partially offset by a contraction of 10 basis points, due to an unfavorable revenue shift toward our lower margin staffing businesses.

SG&A expense

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Selling, general and administrative expense	\$ 122,645	\$ 120,568
Percentage of revenue	26.4 %	21.9 %

Total company SG&A expense increased by \$2.1 million or 1.7% for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. We incurred \$1.0 million in workforce reduction costs at the end of the fiscal quarter, primarily within our PeopleScout business, which are expected to generate cost savings for the remainder of fiscal 2023. Additionally, SG&A expense increased as a result of investments we have made within our PeopleReady segment, primarily in training for our sales team, as well as hiring additional account managers to broaden the geographical footprint of our skilled trades business.

Depreciation and amortization

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Depreciation and amortization	\$ 6,411	\$ 7,287
Percentage of revenue	1.4 %	1.3 %

Depreciation and amortization decreased for the thirteen weeks ended March 26, 2023 compared to the same period in the prior year, due to certain assets becoming fully depreciated or amortized during 2022.

Income tax expense

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Income tax expense (benefit)	\$ (640)	\$ 1,976
Effective income tax rate	13.0 %	15.8 %

Our tax provision and our effective tax rate are subject to variation due to several factors, including variability in accurately predicting our annual pre-tax and taxable income and loss by jurisdiction, tax credits, government audit developments, changes in laws, regulations and administrative practices, and relative changes of expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income and loss. For example, the impact of discrete items, tax credits and non-deductible expenses on our effective tax rate is greater when our pre-tax income or loss is lower.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The items creating a difference between income taxes computed at the statutory federal income tax rate and income taxes reported on the Consolidated Statements of Operations and Comprehensive Income (Loss) are as follows:

<i>(in thousands, except percentages)</i>	Thirteen weeks ended			
	Mar 26, 2023	%	Mar 27, 2022	%
Income (loss) before tax expense (benefit)	\$ (4,929)		\$ 12,495	
Federal income tax expense (benefit) at statutory rate	\$ (1,035)	21.0%	\$ 2,624	21.0%
Increase (decrease) resulting from:				
State income taxes, net of federal benefit	(223)	4.5	474	3.8
Hiring tax credits, net	765	(15.5)	(1,142)	(9.1)
Non-deductible and non-taxable items	(204)	4.1	263	2.1
Stock-based compensation	197	(4.0)	(619)	(5.0)
Other, net	(140)	2.9	376	3.0
Income tax expense (benefit)	\$ (640)	13.0%	\$ 1,976	15.8%

For the thirteen weeks ended March 26, 2023, we received an income tax benefit of \$(0.6) million and had an effective tax rate of 13.0%, compared to income tax expense of \$2.0 million and an effective tax rate of 15.8% for the same period in the prior year.

The difference between the statutory federal income tax rate of 21.0% and our effective tax rate of 13.0% for the thirteen weeks ended March 26, 2023 was primarily due to the benefit of hiring tax credits, including the Work Opportunity Tax Credit ("WOTC"), and stock-based compensation, partially offset by state income taxes and non-deductible items.

WOTC, our primary hiring tax credit, is designed to encourage employers to hire workers from certain targeted groups with higher than average unemployment rates. WOTC is generally calculated as a percentage of wages over a twelve-month period up to worker maximums by targeted groups. Based on historical results and business trends, we estimate the amount of WOTC we expect to earn related to wages of the current year. However, the estimate is subject to variation because 1) a small percentage of our workers qualify for one or more of the many targeted groups; 2) the targeted groups are subject to different incentive credit rates and limitations; 3) credits fluctuate depending on economic conditions and qualified worker retention periods; and 4) state and federal offices can delay their credit certification processing and have inconsistent certification rates. We recognize an adjustment to prior year hiring tax credits if credits certified by government offices differ from original estimates. The U.S. Congress has approved the WOTC program through the end of 2025.

Segment performance

We evaluate performance based on segment revenue and segment profit. Segment profit includes revenue, related cost of services, and ongoing operating expenses directly attributable to the reportable segment. Segment profit excludes goodwill and intangible asset impairment charges, depreciation and amortization expense, unallocated corporate general and administrative expense, interest expense, other income and expense, income taxes, and other costs and benefits not considered to be ongoing. See Note 11: *Segment Information*, to our consolidated financial statements found in Item 1 of this Quarterly Report on Form 10-Q, for additional details on our reportable segments, as well as a reconciliation of segment profit (loss) to income (loss) before tax expense (benefit).

Segment profit should not be considered a measure of financial performance in isolation or as an alternative to net income (loss) on the Consolidated Statements of Operations and Comprehensive Income (Loss) in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and may not be comparable to similarly titled measures of other companies.

PeopleReady segment performance was as follows:

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Revenue from services	\$ 252,628	\$ 305,690
Segment profit	\$ 872	\$ 16,219
Percentage of revenue	0.3 %	5.3 %

MANAGEMENT'S DISCUSSION AND ANALYSIS

PeopleReady segment profit declined \$15.3 million, and also declined as a percentage of revenue, for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. These declines were primarily due to the decline in revenue and the associated impact from higher operating leverage, partially offset by lower workers' compensation costs and higher bill rates, which have increased ahead of pay rates.

PeopleScout segment performance was as follows:

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Revenue from services	\$ 69,476	\$ 82,006
Segment profit	\$ 8,923	\$ 10,972
Percentage of revenue	12.8 %	13.4 %

PeopleScout segment profit declined \$2.0 million, and also declined as a percentage of revenue, for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. These declines were a result of the decline in revenue, combined with the relatively fixed cost structure of the recruiting business. We took actions, in the form of workforce reductions, at the end of the fiscal quarter to reduce our fixed costs for the remainder of 2023.

PeopleManagement segment performance was as follows:

<i>(in thousands, except percentages)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Revenue from services	\$ 143,184	\$ 163,819
Segment profit (loss)	\$ (202)	\$ 2,979
Percentage of revenue	(0.1)%	1.8 %

PeopleManagement segment profit (loss) declined \$3.2 million, and also declined as a percentage of revenue, for the thirteen weeks ended March 26, 2023, compared to the same period in the prior year. These declines were primarily due to the decline in revenue and the associated impact from higher operating leverage. We took actions during the fiscal first quarter to reduce costs for the remainder of 2023.

FUTURE OUTLOOK

The following highlights represent our operating outlook. These expectations are subject to revision as our business changes with the overall economy.

Operating outlook

- We expect revenue for the fiscal second quarter of 2023 to decline between 14% and 10% compared to the same period in the prior year, primarily due to clients' response to macroeconomic uncertainty and the absence of the prior year demand surge. Higher revenue in the prior year within our PeopleReady segment was driven by a surge in retail project work and above average results in our existing client base as businesses found themselves in desperate need of labor during the peak of the post-pandemic recovery. The absence of this demand surge during the fiscal second quarter of 2023 is expected to account for approximately 4% of the total company revenue decline compared to the prior year.
- We anticipate gross margin contraction of between 60 and 20 basis points for the fiscal second quarter of 2023 compared to the same period in the prior year due to less contribution from PeopleScout, our highest margin segment. We anticipate gross margin to hold relatively steady for fiscal 2023, between a contraction of 20 and an expansion of 40 basis points, compared to the prior year.
- For the fiscal second quarter of 2023, we anticipate SG&A expense to be between \$120 million and \$124 million. For fiscal 2023, we anticipate SG&A expense to be between \$495 million and \$501 million. This includes approximately \$1 million and \$3 million in costs to upgrade our legacy PeopleReady technology for the fiscal second quarter and fiscal 2023, respectively. We will continue to exercise disciplined cost management while making investments in sales resources and digital strategies to drive profitable revenue growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- During the first quarter of 2023, the PeopleScout and PeopleManagement teams reduced costs to ensure their respective operating structures were more in line with demand. These actions are expected to create \$11 million of savings over the remainder of 2023. We expect to see approximately one quarter of the savings in cost of services with the remainder in SG&A.
- We expect diluted weighted average shares outstanding to be approximately 31 million for the fiscal second quarter of 2023.
- We expect our effective income tax rate for fiscal 2023 to be between 9% and 13%.
- Fiscal 2023 will include a 53rd week, which we expect will add between \$22 million and \$27 million in revenue, but is not expected to contribute significant net income due to it falling during a slow demand period between the Christmas and New Year holidays.

Liquidity outlook

- Capital expenditures and spending for software as a service assets for the fiscal second quarter of 2023 are expected to be approximately \$9 million, and between \$36 million and \$40 million for fiscal 2023. We remain committed to technological innovation to transform our business for a digital future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

We believe we have a strong financial position and sufficient sources of funding to meet our short and long term obligations. As of March 26, 2023, we had \$47.2 million in cash and cash equivalents. We also had \$292.8 million available under our \$300.0 million Revolving Credit Facility, as \$7.2 million was utilized by outstanding standby letters of credit. We have an option to increase the total line of credit amount from \$300.0 million to \$450.0 million, subject to bank approval.

Cash generated through our core operations is our primary source of liquidity. Our principal ongoing cash needs are to finance working capital, fund capital expenditures, repay outstanding Revolving Credit Facility balances, and execute share repurchases. We manage working capital through timely collection of accounts receivable, which we achieve through focused collection efforts and tightly monitoring trends in days sales outstanding. While client payment terms are generally 90 days or less, we pay our associates weekly, so additional financing through the use of our Revolving Credit Facility is sometimes necessary to support revenue growth. We also manage working capital through efficient cost management and strategically timing payments of accounts payable.

We continue to make investments in online and mobile apps to increase the competitive differentiation of our services over the long term and improve the efficiency of our service delivery model. In addition, we continue to transition our back-office technology from on-premise software platforms to cloud-based software solutions, to increase automation and the efficiency of running our business.

Outside of ongoing cash needed to support core operations, our insurance carriers and certain state workers' compensation programs require us to collateralize a portion of our workers' compensation obligation, for which they become responsible should we become insolvent. On a regular basis, these entities assess the amount of collateral they will require from us relative to our workers' compensation obligation. Such amounts can increase or decrease independent of our assessments and reserves. We continue to have risk that these collateral requirements may be increased by our insurers due to our loss history and market dynamics. We generally anticipate that our collateral commitments will continue to grow as we grow our business. We pay our premiums and deposit our collateral in installments. The collateral typically takes the form of cash and cash-backed instruments, highly rated investment grade securities, letters of credit, and surety bonds. Restricted cash and investments supporting our self-insured workers' compensation obligation are held in a trust at the Bank of New York Mellon ("Trust"), and are used to pay workers' compensation claims as they are filed. See Note 5: *Workers' Compensation Insurance and Reserves*, and Note 3: *Restricted Cash and Investments*, to our consolidated financial statements found in Item 1 of this Quarterly Report on Form 10-Q, for details on our workers' compensation program as well as the restricted cash and investments held in Trust.

We have established investment policy directives for the Trust with the first priority to preserve capital, second to ensure sufficient liquidity to pay workers' compensation claims, third to minimize risk by diversifying the investment portfolio, and fourth to maximize after-tax returns. Trust investments must meet minimum acceptable quality standards. The primary investments include U.S. Treasury securities, U.S. agency debentures, U.S. agency mortgages, corporate securities and municipal securities. For those investments rated by nationally recognized statistical rating organizations, the minimum ratings at time of purchase are:

	S&P	Moody's	Fitch
Short-term rating	A-1/SP-1	P-1/MIG-1	F-1
Long-term rating	A	A2	A

Total collateral commitments increased \$0.6 million during the thirteen week period ended March 26, 2023 primarily due to the timing of collateral contributions as required by our insurance carriers and the use of collateral to satisfy workers' compensation claims. See Note 7: *Commitments and Contingencies*, to our consolidated financial statements found in Item 1 of this Quarterly Report on Form 10-Q, for additional details on our workers' compensation commitments. We continue to actively manage workers' compensation cost through the safety of our associates with our safety programs, and actively control costs with our network of service providers. These actions have had a positive impact creating favorable adjustments to workers' compensation liabilities recorded in the prior periods. Continued favorable adjustments to our prior year workers' compensation liabilities are dependent on our ability to continue to lower accident rates and costs of our claims. We expect diminishing favorable adjustments to our workers' compensation liabilities as the opportunity for significant reduction to the frequency and severity of accident rates diminishes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Restricted cash and investments also includes collateral to support our non-qualified deferred compensation plan in the form of company-owned life insurance policies. Our non-qualified deferred compensation plan is managed by a third-party service provider, and the investments backing the company-owned life insurance policies align with the amount and timing of payments based on employee elections.

A summary of our cash flows for each period are as follows:

<i>(in thousands)</i>	Thirteen weeks ended	
	Mar 26, 2023	Mar 27, 2022
Net cash provided by operating activities	\$ 9,151	\$ 26,442
Net cash (used in) provided by investing activities	(8,376)	255
Net cash used in financing activities	(26,825)	(36,049)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	9	(57)
Net change in cash, cash equivalents and restricted cash	\$ (26,041)	\$ (9,409)

Cash flows from operating activities

Cash provided by operating activities consists of net income (loss) adjusted for non-cash benefits and expenses, and changes in operating assets and liabilities.

Demand for our services is generally lower during the fiscal first quarter, due in part to limitations in outside work during the winter months and slowdowns in manufacturing and logistics after the fiscal fourth quarter holiday season. This results in a deleveraging of accounts receivable and accounts payable compared to the prior year-end. Accrued wages and benefits can fluctuate based on whether the period end requires the accrual of one or two weeks of payroll, the amount and timing of bonus payments, and timing of payroll tax payments.

Net cash provided by accounts receivable collections through deleveraging during the thirteen weeks ended March 26, 2023 was partially offset by an increase in days sales outstanding primarily due to a higher percentage of receivables with longer payment terms. Cash provided by accounts receivable was further offset by net cash used for payments on accounts payable and accrued expenses. Net cash used for payments on accrued wages and benefits was primarily due to the timing and amount of annual bonus payments to employees, which are paid in the fiscal first quarter. In addition, our workers' compensation claims reserve for estimated claims decreases as contingent labor services decline, as was the case in the current year.

Cash flows from investing activities

Investing cash flows consist of capital expenditures and purchases, sales, and maturities of restricted investments, which are managed in line with our workers' compensation collateral funding requirements and timing of claim payments.

Capital expenditures for the thirteen weeks ended March 26, 2023 were higher than the thirteen weeks ended March 27, 2022 due in part to the continued investments we are making to upgrade our PeopleReady technology platform. For the thirteen weeks ended March 26, 2023, cash used for purchases of restricted investments were mostly offset by maturities. In the prior period, cash provided by maturities of restricted investments was not immediately reinvested by the Trust, and more than offset capital expenditures.

Cash flows from financing activities

Financing cash flows consist primarily of repurchases of common stock as part of our publicly announced share repurchase program, amounts to satisfy employee tax withholding obligations upon the vesting of restricted stock, the net change in our Revolving Credit Facility, and proceeds from the sale of common stock through our employee stock purchase plans.

Net cash used in financing activities during the thirteen weeks ended March 26, 2023 was primarily due to the repurchase of \$24.7 million of our common stock in the open market. As of March 26, 2023, \$64.3 million remains available for repurchase under existing authorizations.

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates are discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations; Summary of Critical Accounting Estimates" in our Annual Report on Form 10-K for the fiscal year ended December 25, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEW ACCOUNTING STANDARDS

See Note 1: *Summary of Significant Accounting Policies*, to our consolidated financial statements found in Item 1 of this Quarterly Report on Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our quantitative and qualitative disclosures about market risk are discussed in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended December 25, 2022, and have not changed materially.

Item 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the Security and Exchange Commission's rules and forms. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

During the fiscal first quarter of 2023, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures at a reasonable assurance level, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level, as of March 26, 2023.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

The certifications required by Rule 13a-14 of the Exchange Act are filed as exhibits 31.1 and 31.2, respectively, to this Quarterly Report on Form 10-Q.

PART II. OTHER INFORMATION**Item 1. LEGAL PROCEEDINGS**

See Note 7: *Commitments and Contingencies*, to our consolidated financial statements found in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. RISK FACTORS

There have been no material changes in the Company's risk factors previously disclosed in Part I, Item 1A of the Company's Annual Report filed on Form 10-K for the year ended December 25, 2022.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below includes repurchases of our common stock pursuant to publicly announced plans or programs and those not made pursuant to publicly announced plans or programs during the thirteen weeks ended March 26, 2023.

Period	Total number of shares purchased (1)	Weighted average price paid per share (2)	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value that may yet be purchased under plans or programs at period end (3)
12/26/2022 through 1/22/2023	2,491	\$19.58	—	
1/23/2023 through 2/19/2023	353,911	\$18.58	322,734	
2/20/2023 through 3/26/2023	1,036,678	\$18.08	1,034,119	\$64.3 million
Total	1,393,080	\$18.21	1,356,853	

- (1) Includes 36,227 shares we purchased in order to satisfy employee tax withholding obligations upon the vesting of restricted stock. These shares were not acquired pursuant to our publicly announced share repurchase program.
- (2) Weighted average price paid per share does not include any adjustments for commissions.
- (3) On February 2, 2022, our Board of Directors authorized a \$100.0 million addition to our share repurchase program of our outstanding common stock. The share repurchase program does not obligate us to acquire any particular amount of common stock and does not have an expiration date. As of March 26, 2023, \$64.3 million remains available for repurchase under the existing authorization.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

Item 6. INDEX TO EXHIBITS

Exhibit number	Exhibit description	Filed herewith	Incorporated by reference		
			Form	File no.	Date of first filing
3.1	Amended and Restated Articles of Incorporation.		8-K	001-14543	05/12/2016
3.2	Amended and Restated Bylaws.		10-Q	001-14543	10/30/2017
10.1	LIBOR Transition Amendment to Credit Agreement, effective March 30, 2023, between TrueBlue, Inc. and Bank of America, N.A.	X			
31.1	Certification of Steven C. Cooper, Chief Executive Officer of TrueBlue, Inc., Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Derrek L. Gafford, Chief Financial Officer of TrueBlue, Inc., Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of Steven C. Cooper, Chief Executive Officer of TrueBlue, Inc. and Derrek L. Gafford, Chief Financial Officer of TrueBlue, Inc., Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
101	The following financial statements from the Company's 10-Q, formatted as Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statements of Cash Flows, and (iv) Notes to consolidated financial statements.	X			
104	Cover page interactive data file - The cover page from this Quarterly Report on Form 10-Q is formatted as Inline XBRL	X			

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TrueBlue, Inc.

/s/ Steven C. Cooper

4/24/2023

Signature

Date

By: Steven C. Cooper, Chief Executive Officer and President

/s/ Derrek L. Gafford

4/24/2023

Signature

Date

By: Derrek L. Gafford, Chief Financial Officer and
Executive Vice President

/s/ Richard B. Christensen

4/24/2023

Signature

Date

By: Richard B. Christensen, Chief Accounting Officer, Treasurer and Senior Vice President

LIBOR TRANSITION AMENDMENT

THIS LIBOR TRANSITION AMENDMENT (this "Amendment"), dated as of March 30, 2023 (the "Amendment Effective Date"), is entered into among TRUEBLUE, INC., a Washington corporation (the "Borrower"), the Guarantors party hereto, the Lenders party hereto and BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent").

RECITALS

WHEREAS, the Borrower, the Guarantors, the Lenders and the Administrative Agent are parties to that certain Credit Agreement dated as of July 13, 2018 (as amended or modified from time to time, the "Credit Agreement");

WHEREAS, certain loans, disbursements and/or other extensions of credit (the "Loans") under the Credit Agreement denominated in U.S. Dollars ("Dollars") incur or are permitted to incur interest, fees, commissions or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration ("LIBOR") in accordance with the terms of the Credit Agreement; and

WHEREAS, applicable parties under the Credit Agreement have determined in accordance with the Credit Agreement that LIBOR should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain conforming changes are necessary or advisable.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein (including on any Appendix attached hereto) shall have the meanings provided to such terms in the Credit Agreement, as amended by this Amendment.

2. Agreement. Notwithstanding any provision of the Credit Agreement or any other document related thereto (the "Loan Documents") to the contrary, the parties hereto hereby agree that the terms set forth on Appendix A shall apply to Dollars. For the avoidance of doubt, to the extent provisions in the Credit Agreement apply to Dollars and such provisions are not specifically addressed by Appendix A, the provisions in the Credit Agreement shall continue to apply to Dollars.

3. Conflict with Loan Documents. In the event of any conflict between the terms of this Amendment and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.

4. Conditions Precedent. This Amendment shall become effective upon receipt by the Administrative Agent of counterparts of this Amendment, properly executed by the Borrower, the Guarantors, the Lenders and the Administrative Agent

5. Reaffirmation. The Loan Parties acknowledge and confirm (a) that the Administrative Agent, for the benefit of the holder of the Obligations, has a valid and enforceable perfected security interest in the Collateral, which security interest is prior to all Liens other than Permitted Liens, (b) that the Borrower's obligation to repay the outstanding principal amount of the Loans and reimburse the L/C Issuer for any drawing on a Letter of Credit and the Guarantors' Obligations under the Loan Documents are unconditional and not subject to any offsets, defenses or counterclaims, and (c) by entering into this Agreement, the Administrative Agent and the Lenders do not waive or release any term or condition of the Credit Agreement or any of the other Loan Documents or any of their rights or remedies under such Loan Documents or applicable law or any of the obligations of any Loan Party thereunder.

6. Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Loan Documents shall hereafter mean the Credit Agreement as amended and modified by this Agreement.

Except as herein specifically agreed, the Credit Agreement, as amended by this Agreement, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. The Loan Parties acknowledge and consent to the modifications set forth herein and agree that this Agreement does not impair, reduce or limit any of their obligations under the Loan Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Agreement shall constitute a Loan Document. Notwithstanding anything herein to the contrary and without limiting the foregoing, each Guarantor reaffirms its guaranty obligations set forth in the Credit Agreement.

7. Authority/Enforceability. Each of the Loan Parties represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) Debtor Relief Laws and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by such Person of this Agreement.

(d) The execution and delivery of this Agreement does not (i) contravene any provision of its Organization Documents or (ii) violate any Laws applicable to it except as could not reasonably be expected to have a Material Adverse Effect.

8. Representations. The Loan Parties represent and warrant to the Administrative Agent and the Lenders that (a) the representations and warranties of the Loan Parties set forth in Article V of the Credit Agreement and any other Loan Document are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to a certain date, in which case they are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) as of such date and (b) no Default exists.

9. Counterparts/Telecopy. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by fax transmission or e-mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

10. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER: TRUEBLUE, INC.,
a Washington corporation

By: /s/ Derrek Gafford

Name: Derrek Gafford
Title: Executive Vice President and Chief Financial Officer

GUARANTORS: CENTERLINE DRIVERS, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

CLP HOLDINGS CORP.,
a Nevada corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

CLP RESOURCES, INC.,
a Delaware corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

JOB ROOSTER, INC.,
a California corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

LABOR READY HOLDINGS, INC.,
a Nevada corporation

By: /s/ Derrek Gafford
Name: Derrek Gafford
Title: Executive Vice President and Chief Financial Officer

PEOPLEREADY FLORIDA, INC.,
a Washington corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PEOPLEREADY, INC.,
a Washington corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PEOPLESCOUT, INC.,
a Delaware corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PEOPLESCOUT MSP, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PLANETECHS, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PR TRADES, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

PROJECT TRADES SOLUTIONS, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

SIMOS INSOURCING SOLUTIONS, LLC,
a Delaware limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

SMX CARGO, LLC,
an Illinois limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

SMX, LLC,
an Illinois limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

SPARTAN STAFFING, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

STAFF MANAGEMENT SOLUTIONS, LLC,
an Illinois limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

STAFFING SOLUTIONS HOLDINGS, INC.,
a Delaware corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

STUDENTSCOUT, LLC,
an Illinois limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

TBI OUTSOURCING PUERTO RICO, INC.,
a Delaware corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

TRUEBLUE ENERGY AND INDUSTRIAL SERVICES, LLC,
a Washington limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

TRUEBLUE ENTERPRISES, INC.,
a Nevada corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

TRUEBLUE SERVICES, INC.,
a Delaware corporation

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

VENUE READY, LLC,
a Nevada limited liability company

By: /s/ Richard Christensen
Name: Richard Christensen
Title: Treasurer and Chief Financial Officer

ADMINISTRATIVE
AGENT: BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Aamir Saleem
Name: Aamir Saleem
Title: Vice President

LENDERS: BANK OF AMERICA, N.A.,
as a Lender, Swingline Lender and L/C Issuer

By: /s/ Timothy G. Holsapple
Name: Timothy G. Holsapple
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Denisa Teodorescu _____
Name: Denisa Teodorescu
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ David Cruz
Name: David Cruz
Title: Director

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Suzannah Valdivia
Name: Suzannah Valdivia
Title: Senior Vice President

HSBC BANK USA, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Mark Gibbs
Name: Mark Gibbs
Title: Managing Director

Appendix A

TERMS APPLICABLE TO TERM SOFR LOANS

1. Defined Terms. The following terms shall have the meanings set forth below:

“Administrative Agent’s Office” means, with respect to Dollars, the Administrative Agent’s address and, as appropriate, account specified in the Credit Agreement with respect to Dollars, or such other address or account with respect to Dollars as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Applicable Rate” means the Applicable Rate, Applicable Margin, Margin or any similar or analogous definition in the Loan Documents applicable to a benchmark or to the Base Rate. For the avoidance of doubt, different Applicable Rates may apply to different rates under the Loan Documents. If there is no such definition in the Loan Documents because the margin is a specified amount, the “Applicable Rate” shall be the amount specified as the margin in the Loan Documents.

“Base Rate” means Base Rate or any similar or analogous definition in the Credit Agreement.

“Base Rate Loans” means a Loan that bears interest at a rate based on the Base Rate.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“CME” means CME Group Benchmark Administration Limited.

“Committed Loan Notice” means a Loan Notice or any similar or analogous definition in the Credit Agreement, and such term shall be deemed to include the Committed Loan Notice attached hereto as Exhibit A.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of “Base Rate”, “SOFR”, “Term SOFR” and “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Amendment and any other Loan Document).

“Daily Simple SOFR” with respect to any applicable determination date means the SOFR published on such date on the Federal Reserve Bank of New York’s website (or any successor source).

“Dollar” and “\$” mean lawful money of the United States.

“Eurodollar Rate” means Eurodollar Rate or any similar or analogous definition in the Credit Agreement.

“Eurodollar Rate Loans” means a Loan that bears interest at a rate based on the Eurodollar Rate.

“Interest Payment Date” means, as to any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the applicable maturity date set forth in the Credit Agreement; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates.

“Interest Period” means as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice (in the case of each requested Interest Period, subject to availability); provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Term SOFR Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the maturity date set forth in the Credit Agreement.

“Required Lenders” means the Required Lenders or any similar or analogous definition in the Credit Agreement, subject to Section 2(g) of this Appendix A.

“Scheduled Unavailability Date” has the meaning set forth in Section 2(g) of this Appendix A.

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“SOFR Adjustment” means 0.10% (10 basis points).

“Successor Rate” has the meaning set forth in Section 2(g) of this Appendix A.

“Swing Line Loan” means Swingline Loan or any similar or analogous definition in the Credit Agreement.

“Term SOFR” means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day;

provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such term;

provided that if Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than 0%, Term SOFR shall be deemed 0% for purposes of this Amendment.

“Term SOFR Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Type” means, with respect to a Loan, its character as a Base Rate Loan or a Term SOFR Loan.

“U.S. Government Securities Business Day” means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

2 . Terms Applicable to Term SOFR Loans. From and after the Amendment Effective Date, the parties hereto agree as follows, solely with respect to Term SOFR Loans:

(a) Impacted Currency. (i) Dollars shall not be considered a currency for which there is a published LIBOR rate and (ii) any request for a new Eurodollar Rate Loan denominated in Dollars, or to continue an existing Eurodollar Rate Loan denominated in Dollars, shall be deemed to be a request for a new Loan bearing interest at Term SOFR; provided, that, to the extent any Loan bearing interest at the Eurodollar Rate is outstanding on the Amendment Effective Date, such Loan shall continue to bear interest at the Eurodollar Rate until the end of the current Interest Period or payment period applicable to such Loan.

(b) References to Eurodollar Rate and Eurodollar Rate Loans in the Credit Agreement and Loan Documents.

(i) References to the Eurodollar Rate and Eurodollar Rate Loans in provisions of the Credit Agreement and the other Loan Documents that are not specifically addressed herein (other than the definitions of Eurodollar Rate and Eurodollar Rate Loan) shall be deemed to include Term SOFR and Term SOFR Loans, as applicable. In addition, references to the Eurodollar Rate in the definition of Base Rate in the Credit Agreement shall be deemed to refer to Term SOFR.

(ii) For purposes of any requirement for the Borrower to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Loan on a day other than the last day of any Interest Period (as defined in the Credit Agreement), references to the Interest Period (as defined in the Credit Agreement) shall be deemed to include any relevant interest payment date or payment period for a Term SOFR Loan.

(c) Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any

related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Amendment, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

(d) Borrowings, Conversions, Continuations and Prepayments of Term SOFR Loans. In addition to any other borrowing or prepayment requirements set forth in the Credit Agreement or any other Loan Document:

(i) Term SOFR Loans. Each Borrowing, each conversion of Loans (other than Swing Line Loans) from one Type to the other, and each continuation of Term SOFR Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) two Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Term SOFR Loans or of any conversion of Term SOFR Loans to Base Rate Loans. Each Borrowing of, conversion to or continuation of Term SOFR Loans shall be in a principal amount of \$2,500,000 or a whole multiple of \$500,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Term SOFR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Term SOFR Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(i i) Conforming Changes. With respect to SOFR or Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Amendment or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

(iii) Committed Loan Notice. For purposes of a Borrowing of Term SOFR Loans, or a continuation of a Term SOFR Loan, the Borrower shall use the Committed Loan Notice attached hereto as Exhibit A.

(iv) Voluntary Prepayments of Term SOFR Loans. The Borrower may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay the Term SOFR Loans in whole or in part without premium or penalty (except as otherwise specified in the Credit Agreement); provided that such notice must be received by the Administrative Agent not later than 11:00 a.m. (Eastern time) two Business Days prior to any date of prepayment of Term SOFR Loans.

(e) Interest.

(i) Subject to the provisions of the Credit Agreement with respect to default interest, each Term SOFR Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of Term SOFR for such Interest Period plus the Applicable Rate.

(ii) Interest on each Term SOFR Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified in the Credit Agreement; provided, that any prepayment of any Term SOFR Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05 of the Credit Agreement. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any debtor relief law.

(f) Computations. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest with respect to Term SOFR Loans shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to the provisions in the Credit Agreement addressing payments generally, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(g) Inability to Determine Rates; Successor Rates.

(i) Defined Terms. For purposes of this Section 2(g), those Lenders that either have not made, or do not have an obligation under the Credit Agreement to make, the relevant Loans in Dollars shall be excluded from any determination of Required Lenders.

(ii) Inability to Determine Rate. If in connection with any request for a Term SOFR Loan or a conversion of Base Rate Loans to Term SOFR Loans or a continuation of any of such Loans, as applicable, (x) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 2(g)(iii), and the circumstances under clause (x) of Section 2(g)(iii) or the Scheduled Unavailability Date has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan, or (y) the Administrative Agent or the Required Lenders determine that for any reason that Term SOFR for any requested

Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender.

Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans, or to convert Base Rate Loans to Term SOFR Loans, shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (y) of this Section 2(g)(ii), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice.

Upon receipt of such notice, (x) the Borrower may revoke any pending request for a Borrowing of, or conversion to, or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein and (y) any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans at the end of their respective applicable Interest Period.

(iii) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Amendment or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(x) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(y) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which the one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of Dollar denominated syndicated loans, or shall or will otherwise cease, provided, that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which the one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the “Scheduled Unavailability Date”);

then, on a date and time determined by the Administrative Agent (any such date, the “Term SOFR Replacement Date”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (y) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR *plus* the SOFR Adjustment for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or

further action or consent of any other party to, this Amendment or any other Loan Document (the “ Successor Rate).

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (A) if the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (B) if the events or circumstances of the type described in Section 2(g)(iii)(x) or 2(g)(iii)(y) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Amendment and the other Loan Documents solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 2(g)(iii) at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such benchmark. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a “Successor Rate”. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0%, the Successor Rate will be deemed to be 0% for the purposes of this Amendment and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Amendment; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

Exhibit A

FORM OF LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of July 13, 2018 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), among TrueBlue, Inc., a Washington corporation (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The undersigned hereby requests (select one):

A Borrowing of Revolving Loans

A conversion or continuation of Revolving Loans

1. On _____ (a Business Day).

2. In the amount of \$_____.

3. Comprised of _____.
[Type of Loan requested]

4. For Term SOFR Loans: with an Interest Period of ___ months.

With respect to such Borrowing, the Borrower hereby represents and warrants that (i) such request complies with the requirements of Section 2.01 of the Credit Agreement and (ii) each of the conditions set forth in Section 4.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing.

[signature page follows]

TRUEBLUE, INC.,
a Washington corporation

By: ___
Name:

Title:

CHAR1\1975009v1

CERTIFICATION

I, Steven C. Cooper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TrueBlue, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2023

/s/ Steven C. Cooper

Steven C. Cooper
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Derrek L. Gafford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TrueBlue, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2023

/s/ Derrek L. Gafford

Derrek L. Gafford
Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

We, Steven C. Cooper, the chief executive officer of TrueBlue, Inc. (the “company”), and Derrek L. Gafford, the chief financial officer of the company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report of the company on Form 10-Q, for the fiscal period ended March 26, 2023 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the company.

/s/ Steven C. Cooper

Steven C. Cooper
Chief Executive Officer
(Principal Executive Officer)

/s/ Derrek L. Gafford

Derrek L. Gafford
Chief Financial Officer
(Principal Financial Officer)

April 24, 2023

A signed original of this written statement required by Section 906 has been provided to TrueBlue, Inc. and will be retained by TrueBlue, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.